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C O N F I D E N T I A L SECTION 01 OF 03 MADRID 000960

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DEPARTMENT PASS TO NEA/FO FOR KING MALLORY, EUR/ERA FOR
LOUIS BONO, EUR/WE

E.O. 12958: DECL: 03/08/2015

TAGS: [PREL](#) [PGOV](#) [SP](#)

SUBJECT: BMENA - POSSIBILITY FOR COOPERATION WITH SPAIN

Classified By: POL Kathy Fitzpatrick for reasons 1.4(b) and (d)

1.(C) SUMMARY: NEA DAS Carpenter met with Spanish MFA officials, including Political Director Rafael Dezcallar, Barcelona Process Ambassador Juan Prat and Near East Division DAS-equivalent Alberto Moreno, in Madrid on March 7 as part of the effort to forge greater U.S.-Spain and U.S.-EU cooperation on BMENA. The Spanish officials support coordination and division of labor, if the U.S. and EU political messages to the region are similar. Madrid prefers coordination on the national or sub-regional level. Greater explanation of the benefits and provision of incentives for democracy and reform is key. Madrid believes that the Islamist PJD will win Morocco's 2007 elections and that agreement is needed on how to engage Islamists in BMENA. A solution to W. Sahara is key to providing the economic growth needed in N. Africa and a new representative is needed. FM Moratinos will ask for greater inclusion of Spain in G-8 BMENA activities from Secretary Rice during his visit to Washington in April. He will also suggest that Middle East liaison officers be posted in Washington and Madrid and will request a formal annual dialog to exchange views on the Middle East at that time. END SUMMARY

2.(C) NEA DAS Scott Carpenter held a day long series of meetings at the MFA in Madrid March 7th with: Policy Director Rafael Dezcallar, MFA Barcelona Process Ambassador Juan Prat and divisional Deputy DGs Carlos Fernandez-Arias (N. Africa), Antonio Moreno (ME) and Manual del la Camara (N. America). The purpose of the meetings was to elicit Spanish support for greater U.S.-EU cooperation on policy and assistance programming in the Broader Middle East and to discover the GOS's views on how democracy and reform can be promoted effectively in the region.

3.(C) DAS Carpenter stated that the USG was interested in lessons that the GOS has learned from the 10-year Barcelona process. He asked if Spain was happy with the results and what its view is on attaching greater conditionality to foreign assistance. Carpenter asked the GOS about the possible scope for greater consultation and coordination between the U.S. and EU on political messages and foreign assistance programming in BMENA. He explained that the USG had concluded that it had contributed to the causes of violence by over-emphasizing regional stability in the past. The USG allowed BMENA governments to suppress and drive political opposition to violence. The USG now believes that greater democracy is needed in the region in order to coax political opposition into the mainstream and away from violence. Some short-term instability may therefore be needed to achieve the long-term stability that both the USG and the GOS are seeking in BMENA.

Strategic Overview

4.(C) Policy Director Dezcallar started off by reminding DAS Carpenter that Spain is active in every region of the world but the Far East. Latin America and the Mediterranean are strategic for Spain. Within the Mediterranean, North Africa and Palestine are areas of particular strategic interest. The EU's Barcelona Process is a Spanish creation: "we have to find a way to put the two contexts together ... BMENA and Barcelona can be perfect complements".

5.(C) Dezcallar argued that the USG would gain by involving Spain in the G-8 BMENA initiative either ad hoc in discrete programs and activities or by inviting Spain to participate in the forthcoming Forum for the Future meeting in Bahrain in some manner. He intimated that FM Moratinos will ask Secretary Rice to find a way to be more inclusive of Spain in

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the G-8 BMENA process in his forthcoming April visit to Washington.

6.(C) Dezcallar said it is important to update the content of the Barcelona Process. Spain fully supports the new European Neighborhood Policy whereby the EU's previously separate East European and Mediterranean assistance programs will be combined and "action plans" are being developed for each beneficiary country along the EU's periphery. In an allusion

to the competition for resources between Southern EU members focused on the Mediterranean and new EU members focused on Eastern Europe, Dezcallar stated that a lot more money would be required to make the Neighborhood Policy successful. He noted that the GOS had committed to increase foreign assistance from 0.25 to 0.50 percent of GDP, in this connection.

7.(C) As long as the political messages being delivered to the BMENA region are similar, the GOS fully supports coordination of U.S. and EU foreign assistance and sees room for a division of labor between the U.S. and EU. (Comment: How much movement is required from either side towards the other in order to make the messages similar was left unclear.) Dezcallar suggested including some statement on cooperation in the forthcoming 10th anniversary celebration of the Transatlantic Agenda.

8.(C) The key to success in Dezcallar's view is to convince BMENA countries that democracy and more aggressive economic, educational, and social reforms are in their interest. The GOS can facilitate the reception of the political message due to the particular nature of its relations with BMENA countries. He pointed out that the way in which the political message is packaged is very important in the Arab world.

9.(C) Dezcallar closed discussion of BMENA by suggesting that the USG and GOS post Middle East liaison officers in their respective embassies and that the GOS and USG meet formally once a year to exchange views on the Middle East. (COMMENT: By seeking closer coordination with the USG on BMENA, Spain may be attempting both to put itself on a par with Paris and London and to gain leverage in the intra-European competition for resources. Madrid may think that BMENA is more important currently to the USG than assistance to E. Europe. The GOS may thus believe that by having greater insight into USG thinking it can sway EU foreign assistance resource allocation decisions towards N. Africa. END COMMENT).

10.(C) Finally, Dezcallar touched on PM Zapatero's "Alliance of Civilizations" initiative. U/S Dobriansky has been briefed on the concept by the GOS and UN SecGen Annan will soon announce a high-level group (HLG) in support of the initiative. He argued that the initiative would allow the ideas behind BMENA to be extrapolated to the UN context. The message on the need for reform in the Islamic world would arrive not just from the North but from Islamic countries of the South who had themselves been the victims of terror. The GOS will send a special ambassador to the U.S. to explain the concept in detail. Spain would like the USG to participate in the HLG and will formally request such participation during Moratinos' forthcoming visit.

The Barcelona Process

11.(C) Barcelona Process ambassador Juan Prat led off a session with N. Africa, ME and N. America Deputy DGs Fernandez-Arias, Moreno and de la Camara by stating that the U.S. and EU shared the same goal of accelerating reform but had differing approaches. Calling for greater efficiency in the execution of assistance from the Commission, Prat stated that Barcelona had been a big success, despite the fact that it had not achieved all of its goals.

12.(C) Little progress has been made in Barcelona's political and security "basket", because it has become "polluted" by lack of progress on the peace process. And Barcelona has not achieved the expansion of civil society in the region, which the GOS seeks. The economic and financial basket, by contrast, has been a success. Morocco, Tunisia and Jordan have launched structural adjustment programs. The EU is successfully pushing greater private sector involvement and trade between the Southern Med and Europe has risen by 30%. The EU is not spending enough on Barcelona's educational and cultural basket and redressing this defect will be a priority of the British EU presidency. Prat stressed the need to increase exchanges and projects targeting women's empowerment, in this connection.

13.(C) Prat reiterated the GOS view that the U.S. and EU have to coordinate more closely. The national and sub-regional levels would likely be the most fruitful area in which to achieve concrete results.

14.(C) The GOS is concerned that pushing democratization in countries with no tradition of democracy could lead to the election of Islamists. Carpenter pointed out that one could either provide a safety valve for social discontent now, or face dealing with more radical Islamists later. According to Prat, the GOS position is "yes" to accelerating political reform. "We can't have a second Algeria. We have to let the Islamists come into power", seconded Moreno. However, a debate is underway in Europe on how to handle the Islamic groups that will inevitably gain representation or control.

Should the EU start dealing with moderate Islamists? Is there such a thing as moderate Islamists? If so, can they be trusted? The EU needs a common position. Camara noted that the prospect of EU accession had provided a check on Islamists in Turkey and had provided a strong means by which to justify difficult reforms to the Turkish people.

15.(C) BMENA governments and populations have to be given something similar to look forward to - something that they could not achieve without undertaking the difficult reforms being asked of them. The U.S. and EU have to exert pressure to start reforms, but also have to show how these reforms will lead to well being. The U.S. and EU need to think together how they can provide incentives. It will need a lot of money. Moreno noted that the EU has traditionally been poor at attaching credible conditions when providing funds and argued that much more thought is required on striking the right balance between too much and too little pressure.

North African Roundup

16.(C) After pointing out that N. Africans distrust BMENA, because they do not understand it, Fernandez-Arias focused on two macroscopic challenges: Western Sahara and housing. He highlighted the need to create mortgage markets if housing is ever to be produced in the volume required by demographic pressure. Western Sahara is preventing the sub-regional integration needed to make N. Africa an attractive market for investors and is therefore the principal impediment to kick-starting much needed economic growth. "We need a Baker-style representative ... When Baker was there things were moving because he could get White House attention. So Morocco and Algeria showed interest".

17.(C) Algeria is not particularly interested in EuroMed or BMENA. The Algerians, according to Arias, don't need money and don't want pressure.

18.(C) Morocco on the other hand needs money and is willing to accept conditionality, as long as it is done in a way that does not injure national pride. Spain is not getting the results it wants in Morocco. Political and economic reforms are happening, but they are not touching the lives of ordinary people. This exacerbates the gap between rich and poor and Islamists are gaining in popularity as a result. The GOS believes that the PJD will win Morocco's 2007 elections. It would be a mistake to see the PJD in purely Islamic terms. The party is equally focused on economic reform, social services and social justice. Spain would like to see a joint focus on these topics and does not believe that extreme liberalization is the way to achieve results. "We are not talking to the right people. We need to talk to religious parties who have a social base and have been meeting the demands of the people".

19.(C) Tunisia is of lower strategic importance to Spain. It has resisted the EuroMed political dialog. "We want to see elections, not 99% victories". The GOS pointed to Tunisia's dependence on Europe for 95% of its exports and implied that the GOT was quite vulnerable, should Europe ever decide to impose some form of political conditionality on access to the EU market.

20.(U) This cable has been cleared by DAS Carpenter.
MANZANARES